

TO THE FREEDHOLDERS

GENTLEMEN—The policy which I have uniformly advocated since the Union, met your approval at the commencement of the last Parliament. On my re-election, on two occasions after accepting office and a seat in the Cabinet, so important did I consider it, that I assured you I would either carry it into operation or resign. That pledge has been fulfilled, and it is a source of gratification to me to find, from the unanimity which prevails to return me, that it has met your approbation.

GENTLEMEN—That you may realize the efforts made to attain this object, allow me to refer you to my evidence before the Finance Committee in June, 1850, which gives the amount of every separate source and item of receipt and expenditure, since the Union—the comparative amounts of receipt and expenditure between Upper and Lower Canada, as well as the Federal Government of the United States, and the State Government of New York. From these statements it appears that your taxes on imports have increased from £227,538, in 1840, to £640,940, in 1850, without reference to the increase of internal taxes, although the population only increased during the same period from 1,200,000 to 1,500,000.

You will also find, that the provincial expenditure, including the public works which yield no revenue, averaged, from 1842 to 1850, upwards of £700,000 per year. This has been corroborated by a statement prepared for the Finance Committee last session from the official returns, which gave the precise sum of £762,617 per year during the same period. The comparative receipts and expenditures of the Provincial Government of Canada, and the Government of the State of New York, having been taken for a series of years, the two following tables are exhibited to shew the rapid increase of taxes under the one system, and the decrease under the other, up to the present year.

INCOME.

CANADA.	NEW YORK.
<i>Class No. 1—Toll from Public Works, £70,000</i>	<i>Class No. 1—Toll from Public Works, £850,000</i>
2—Public Lands, 20,000	2—Public Lands, £115,000
3—Customs Duties, £600,000	do. do. 46,625 — 161,625
INTERNAL TAXES.	3—Taxes: Customs,
Excise, £20,000	Direct State Tax, 75,000
Bank Imposts, 12,500	Auction Duties, 21,250
Other sources, 19,125—51,625 — 631,625	Other sources, 21,907 — 118,157
£741,625	£1,126,783

EXPENDITURE.

CANADA.	NEW YORK.
<i>Class No. 1—Sinking Fund, £75,000</i>	<i>Class No. 1—CONSTITUTIONAL CHARGES.</i>
Interest on Debt, 210,000—285,000	Expenses of Civil Govern't, £50,000
Unproductive Public Works, from which no revenue is estimated, 62,228	Sinking Fund and Interest, 412,500
Completion of certain unfinished Prov. Works which will yield an interest, 124,352—186,580	Management, repairs, &c., completing unfin'd works, 387,500—850,000
£471,580	<i>Class No. 2—Common Schools and District Libraries.</i>
	Proceeds of State Lands, 75,000
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	116,250

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THE MEMBERS OF LINCOLN

Union, which supported two governments before the Union. To effect this object, and relieve us from unnecessary taxation, an amendment to our present constitution is indispensable. By involuntarily appropriating the toll from public works for the payment of the public debt—the proceeds of public land for the support of education, and by maintaining the provincial government wholly from customs until the revenue from toll shall have freed us from debt, after which customs duties may be wholly removed, and the provincial government supported from the revenue derived from public works, leaving all internal taxes for the benefit of the different localities.

A constitutional check has also become absolutely necessary to protect private property, as the proceedings of the last session demonstrate. An act was then passed, authorizing the Provincial Government to create an additional debt of £5,000,000, to build a railroad from Halifax to Montreal, in addition to the present debt of £5,000,000, and other liabilities, which if carried out will involve the province to the extent of £10,000,000. The remedy is simply to restrict the government from creating any further debt without imposing a direct tax to meet its payments, and then an appeal to the electors for their consent or disapproval.

These measures would place the finances of Canada in a better position than any other government in America, and could be easily accomplished by a convention, which the circumstances of the country require should be called at an early day.

GENTLEMEN—I have dwelt upon the subject of the public expenditure longer than usual, because there are many among us calling themselves reformers, who openly assert that no reduction can be made. It is therefore highly desirable that the subject should be understood.

With regard to Public Improvements, in my report of 1850-51, the various subjects relating thereto were fully entered into—the cause of the almost entire diversion of the commercial intercourse between the Western States and Canada, from Quebec to New York, also the greater part of the trade of Upper Canada from the St. Lawrence to the Hudson, and the remedy whereby the same amount of toll would be secured as on the New York canals, which realized £850,000 in 1850, are therein pointed out at length.

Tables and calculations were also entered into, assuming the data for increased trade as on the Erie and Welland Canals, to prove that after setting apart a sufficient amount for maintenance and management, a sufficient sinking fund to pay off the public debt before 1866, the surplus revenue would be ample to complete our unfinished works, deepen the bed of the St. Lawrence, give sufficient aid to a line of steamers between Quebec and Liverpool, and to construct a canal between the St. Lawrence and Lake Champlain—improvements which would command the trade to Europe, as well as a great share of that to New York, and relieve Canada from any future debt as well as from taxes.

Entertaining these views, you may find it an appointment in finding the entire policy for which I had successfully struggled after the union of 1841 wholly changed. The work of connecting our great waters discontinued, and the Government undertaking the construction of a railroad from Halifax to Quebec

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Entertaining these views, you may judge of my disappointment in finding the entire policy for which I had successfully struggled after the union of 1841 wholly changed. The work of connecting our great waters discontinued, and the Government undertaking the construction of a railroad from Halifax to Quebec, without the chance of repaying its cost, and with the certainty of doubling our present public debt.

On the subject of Reciprocity, during the last session, I submitted a series of resolutions, whereon to found an address, setting forth the inequality of prices on the growth and consumption of the inhabitants residing on the two sides of the boundary line—that its continuance must inevitably produce an early separation, and pointed out the only remedy—for Great Britain to impose the same duty on the productions of other nations, as those nations impose on the productions of Great Britain and this colony.

With regard to the act *authorizing the employment of Military Pensioners*, I opposed it on two grounds—first, that they were not required, and secondly, that it assented to an entire change in our colonial policy. No dependent state or provincial government on the continent of America is subject to a tax for the support of a military force. Thousands of miles of canals and railroads have been constructed in various states, as well as Canada, without any expense to the government for any description of police, until the Government commenced the construction of our public works. The moment we cease to rely on each other, for mutual protection, that moment peace and security will be banished from the land. In the despatch of Earl Grey to Lord Elgin, of the 14th of March last, he states, “that the time has now come when the people of Canada must be called upon to take upon themselves a share of the charges incurred for the military protection of the country.” The measures proposed to carry this policy into effect, are—*first*, to purchase and locate in different parts of the province, a certain number of military pensioners; *second*, to withdraw all the regular troops to Quebec and Montreal; *third*, to dispose of the barracks, unless sustained at our expense; and *fourth*, to impose upon us the charge of the military canals. This act unquestionably shocks the first measure, and leads Lord Grey to suppose that it has received the sanction of the country; but it most assuredly does not represent the state of public feeling here. For these reasons, I will omit no opportunity to procure the repeal of this act.

With respect to the Public Lands, the quantity, sum received, and estimates of the future value, are all fully referred to in the Finance Report, (page 7—10, 43 and 60.) I have at all times, since 1832, advocated the distribution of the Clergy Reserves, College-Council, Grammar Schools, Jesuits' Estates and Crown Lands, without reserve for Common Schools, District Libraries and General Education, and for no other purpose.

In conclusion, gentlemen, you have, in place of promises and pledges, the various measures which constitute our Canadian policy before you. I have advocated this policy for many years past, and still adhere to it. I believe its adoption would make Canada the most prosperous part of America. All we require is, to remove the concealment and misrepresentation which is continually made to the Imperial Government, and make her statesmen understand the relative position of the countries on the opposite sides of the boundary; and so long as I have the honor of retaining your confidence, and a reasonable prospect of success remains, it will be my duty to you, and to my country, to continue my exertions to carry it into operation.

I have the honor to be,

Your ob't serv't,

St. Catharines, Nov. 22, 1851.

WM. HAMILTON MERRITT.